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2012 Public Library Bookkeeping Workshop

Charlie Pride
Cities, Towns and Libraries
State Board of Accounts

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Presentation at Indiana State Library on
November 7 and repeated November 15, 2012

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Refunds: result either from error or excessive disbursement, or return(s)

- Record in columns A-1 and B-1 and add to appropriation in proper appropriation column
- Refund in current budget year does not require additional appropriation to spend
- Refund for prior year is placed in miscellaneous receipts; requires additional appropriation to spend
- Library can return fine overpayments without an appropriation

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Rebates and Voided Checks

- Rebates on purchases are entered in columns A-1 and B-1, and shown as a miscellaneous receipt
- Additional appropriation required to spend rebate
- Voided checks, if not replaced, entered in columns A-1 and B-1, and added to the appropriation line of the proper appropriation column

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Insurance Claim Proceeds

- Receipts from insurance claims may be appropriated by the library treasurer
- Should be entered in columns A-1 and B-1
- Added to the appropriation line of the proper appropriation column
- No additional appropriation required, if insurance claim payment is used to replace the damaged items within a 12-month period from the date the check is received
[IC 6-1.1-18-7]

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Public Purchasing Law Update [IC 5-22]

- Threshold for advertising for bids is \$150,000
- For purchases between \$50,000 and \$150,000 library must solicit at three quotes by mail
- For purchase under \$50,000, library follows their Small Purchasing Policy
- Special Purchasing Methods [IC 5-22-10]
 - Some purchases can be made without soliciting bids or proposals under certain circumstances
- Local Indiana Business Price Preference is optional
 - 5% on purchase less than \$50,000
 - 3% on purchases of \$50,000 but less than \$100,000
 - 1% on purchases of \$100,000 or more

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Public Works: Update

- Bid threshold of \$150,000
- IC 36-1-12-4.9 Routine repair maintenance under \$150,000
 - Purchase according to Library Small Purchasing Policy
- New Construction under \$150,000 [IC 36-1-12-5]
 - Library must obtain at least three (3) quotes by mail
 - For projects under \$25,000, quotes may be solicited by telephone or fax
- Bids may be opened after the time designated if:
 - (1) the library makes a written determination that it is in the best interest of the library to delay the opening; and
 - (2) the day, time and place of the rescheduled opening are announced at the day, time and place of the originally scheduled opening

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Public Works Law: Update

- Local Indiana Business
 - Price preference removed
- Financial Statement, Statement of Experience, Proposed Plan and the Equipment the bidder has available for the project now required for all projects of \$150,000 or more, effective July 1, 2012

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Common Construction Wage: P.L. 195 or HEA 1216 effective July 1, 2011

- Raises the Dollar Amount of Projects Subject to the Common Construction Wage Law from \$250,000 to \$350,000 on January 1, 2013

[IC 5-16-7]

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Appropriation Transfers: DLGF Approval Not Required

- Library Board may transfer money from one major budget classification to another
- Statement that transfer is necessary
- Budget remains the same; same expenditure of money
- Transfer made at a regular public meeting and by proper resolution
- No resolution required for transfers between minor budget classifications within the same major budget classification


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Conflict of Interest Form



UNIFORM CONFLICT OF INTEREST DISCLOSURE STATEMENT
State Form 54266 (R / 6-12) / Form 236
STATE BOARD OF ACCOUNTS

Indiana Code 35-44.1-1-4

A public servant who knowingly or intentionally has a pecuniary interest in or derives a profit from a contract or purchase connected with an action by the governmental entity served by the public servant commits conflict of interest, a Class D Felony. A public servant has a pecuniary interest in a contract or purchase if the contract or purchase will result or is intended to result in an ascertainable increase in the income or net worth of the public servant or a dependent of the public servant. "Dependent" means any of the following: the spouse of a public servant; a child, stepchild, or adoptee (as defined in IC 31-9-2-2) of a public servant who is unemancipated and less than eighteen (18) years of age; and any individual more than one-half (1/2) of whose support is provided during a year by the public servant.

The foregoing consists only of excerpts from IC 35-44.1-1-4. Care should be taken to review IC 35-44.1-1-4 in its entirety.

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Disclosure

- In writing
- Describe the contract or purchase to be made by governmental entity
- Describe the pecuniary interest that public servant has in contract or purchase
- Affirmed under penalty of perjury
- Submitted to and accepted by governmental entity in a public meeting prior to final action on contract or purchase
- Contain, if public servant appointed (board member), the written approval of the elected public servant or appointing authority

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Disclosure

4. This statement is submitted (*check one*):

- a. ☐ as a "single transaction" disclosure statement, as to my financial interest in a specific contract or purchase connected with the governmental entity which I serve, proposed to be made by the governmental entity with or from a particular contractor or vendor; or
- b. ☐ as an "annual" disclosure statement, as to my financial interest connected with any contracts or purchases of the governmental entity which I serve, which are made on an ongoing basis with or from particular contractors or vendors.

5. Name(s) of Contractor(s) or Vendor(s):

6. Description(s) of Contract(s) or Purchase(s) (*Describe the kind of contract involved, and the effective date and term of the contract or purchase if reasonably determinable. Dates required if 4(a) is selected above. If "dependent" is involved, provide dependent's name and relationship.*):

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Submitted Prior to Final Action on Contract

9. **Effective Dates** (*Conflict of interest statements must be submitted to the governmental entity prior to final action on the contract or purchase.*):

Date Submitted (*month, day, year*)

Date of Action on Contract or Purchase (*month, day, year*)

10. **Affirmation of Public Servant:** This disclosure was submitted to the governmental entity and accepted by the governmental entity in a public meeting of the governmental entity prior to final action on the contract or purchase. I affirm, under penalty of perjury, the truth and completeness of the statements made above, and that I am the above named public servant.

Signed: _____
(*Signature of Public Servant*)

Date: _____
(*month, day, year*)

Within fifteen (15) days after final action on the contract or purchase, copies of this statement must be filed with the State Board of Accounts, Indiana Government Center South, 302 West Washington Street, Room E418, Indianapolis, Indiana, 46204-2765 and the Clerk of the Circuit Court of the county where the governmental entity took final action on the contract or purchase.

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Temporary Loan or Fund Transfer

- Requires Board Resolution
- Need to borrow money to enhance depleted fund
- To make temporary transfer requires sufficient money on deposit to credit other fund
- Amount transferred must be returned to other fund in budget year when transfer occurred

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Emergency Extension of Loan Repayment

- Fiscal body determines an emergency exists
- May extend not more than six months beyond the budget year of year when transfer occurred
- Requires resolution
 - Statement that fiscal body determined an emergency exists
 - Brief description of grounds for emergency
 - Date the loan will be repaid that is not more than six months beyond budget year in which transfer occurs
- Forward resolution to State Board of Accounts and the Department of Local Government Finance

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Capital Asset Records

- Threshold set by board resolution
- Complete inventory of all capital assets owned which reflects their acquisition value.
- Taken at least every two years for good internal control and for verifying account balances carried in the accounting records

CAPITAL ASSETS LEDGER General Form No. 369 (2003)

FUND _____

DEPARTMENT OR BUILDING _____

Date of Purchase	Description of Asset	Serial Number	Location of Asset	Original Cost of Asset	Estimated Life of Asset	Date of Disposal of Asset	Amount Received on Disposal or Trade in	Types of Capital Assets				Construction in Progress	Total Capital Assets
								Land	Buildings	Improvements Other Than Buildings	Machinery and Equipment		
1													
2													
3													
4													

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Establishing the Estimated Cost of Capital Assets

- Not possible to determine historical cost of capital assets
- Table of Cost Indexes found in Cities and Towns Bulletin, March 2012 page 9 (available online at State Board of Accounts website)
- Inventory of significant capital assets where historical cost not available
 - Obtain replacement cost estimate; sometimes available in insurance policy, otherwise make best estimate
 - Determine year of acquisition
 - Multiply estimated replacement cost by factor for year of acquisition found in Table of Cost Indexes

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Table of Cost Indexes: 1913 to 2011

<u>Year</u>	<u>Index</u>	<u>Year</u>	<u>Index</u>	<u>Year</u>	<u>Index</u>	<u>Year</u>	<u>Index</u>
2011	1.00	1985	.48	1961	.13	1937	.07
2010	.97	1984	.46	1960	.13	1936	.06
2009	.95	1983	.44	1959	.13	1935	.06
2008	.96	1982	.43	1958	.13	1934	.06
2007	.92	1981	.40	1957	.13	1933	.06
2006	.90	1980	.37	1956	.12	1932	.06
2005	.87	1979	.32	1955	.12	1931	.07
2004	.84	1978	.29	1954	.12	1930	.07
2003	.82	1977	.27	1953	.12	1929	.08
2002	.80	1976	.25	1952	.12	1928	.08
2001	.79	1975	.24	1951	.12	1927	.08
2000	.77	1974	.22	1950	.11	1926	.08
1999	.74	1973	.20	1949	.11	1925	.08
1998	.73	1972	.19	1948	.11	1924	.08
1997	.71	1971	.18	1947	.10	1923	.08
1996	.70	1970	.17	1946	.09	1922	.08
1995	.68	1969	.16	1945	.08	1921	.08
1994	.66	1968	.16	1944	.08	1920	.09
1993	.64	1967	.15	1943	.08	1919	.08
1992	.62	1966	.14	1942	.07	1918	.07
1991	.61	1965	.14	1941	.07	1917	.06
1990	.58	1964	.14	1940	.06	1916	.05
1989	.55	1963	.14	1939	.06	1915	.05
1988	.53	1962	.13	1938	.06	1914	.05
1987	.51					1913	.04
1986	.49						

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Year End Duty: Old/Outstanding Checks

- If two years passed as of December 31 of each year, outstanding checks are void
- March 1 deadline, treasurer prepares list, in duplicate, of all checks outstanding for 2 or more years as of preceding December.
- Enter amounts listed as a receipt to fund(s) upon check originally drawn
- Remove check for the list of outstanding checks

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Year End Duty: Encumbrances

- To encumber requires a contract or purchase order dated on or before December 31
- Balances are carried forward on unpaid balances on contracts or purchase orders
- Library board prepares list of encumbered items, include as part of minutes of last business meeting of the year

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Year End Duty: Encumbrances

- Appropriations carried forward shown as separate amounts on corresponding appropriation ledger sheets of previous year with explanation and then added to succeeding year's appropriations
- Disbursements charged to appropriations of the previous year are identified as such on the succeeding year's appropriation ledger sheets

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Due December 1: Certification of Names and Addresses of Employees

- Task completed twice a year
- Before June 1 and December 1 certify names and actual addresses of every library employee to the County Treasurer for the county where the employee works. [IC 6-1.1-22-14]

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Other Issues

- Investment Law Changes
- Disqualification of Contractors Dealing with Iran [Public Law 21]
- Food for fines
- Village U.S. Post Offices
- Raffles and Other Gaming Events

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